

# MARION COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2014



## STACEY E. PICKERING

STATE AUDITOR

Patrick Dendy, CPA  
Director, Department of Audit

Tommy Story, CPA, CFE  
Director, County Audit Section



A Report from the County Audit Section

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

December 10, 2015

Members of the Board of Supervisors  
Marion County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2014 financial and compliance audit report for Marion County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of Marion County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Marion County. If I or this office can be of any further assistance, please contact me or Tom Story of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey E. Pickering", is written over a horizontal line.

Stacey E. Pickering  
State Auditor



MARION COUNTY

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MARION COUNTY

FINANCIAL SECTION

MARION COUNTY

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
STACEY E. PICKERING  
AUDITOR  
INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Marion County, Mississippi

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Marion County, Mississippi, (the County) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit**

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable.

## **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of Marion County, Mississippi, as of September 30, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Unmodified Opinions**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Marion County, Mississippi, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Budgetary Comparison Schedule and corresponding notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Omission of Required Supplementary Information**

Marion County, Mississippi, has omitted the Management's Discussion and Analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary and Other Information*

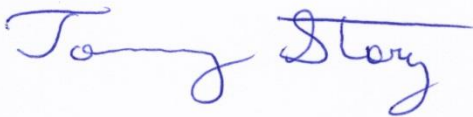
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marion County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of Marion County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marion County, Mississippi's internal control over financial reporting and compliance.



TOMMY STORY, CPA, CFE  
Director, County Audit Section

December 10, 2015

MARION COUNTY

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MARION COUNTY

FINANCIAL STATEMENTS

MARION COUNTY

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MARION COUNTY  
Statement of Net Position  
September 30, 2014

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 4,121,536	478,238	4,599,774
Investments		1,283,275	1,283,275
Property tax receivable	8,667,000		8,667,000
Accounts receivable (net of allowance for uncollectibles of \$199,694)		424,351	424,351
Fines receivable (net of allowance for uncollectibles of \$2,517,803)	557,201		557,201
Intergovernmental receivables	237,339	697,028	934,367
Other receivables	7,973	29,886	37,859
Internal balances	28,392	(28,392)	
Capital assets:			
Land and construction in progress	663,344	60,000	723,344
Other capital assets, net	29,380,528	7,087,808	36,468,336
Total Assets	<u>43,663,313</u>	<u>10,032,194</u>	<u>53,695,507</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding		118,248	118,248
Total deferred outflows of resources	<u>0</u>	<u>118,248</u>	<u>118,248</u>
<b>LIABILITIES</b>			
Claims payable	563,835	249,361	813,196
Intergovernmental payables	451,611		451,611
Accrued interest payable	83,811	16,398	100,209
Unearned revenue		36,774	36,774
Other payables	105,095		105,095
Long-term liabilities			
Due within one year:			
Capital debt	462,756	720,562	1,183,318
Non-capital debt	167,558		167,558
Due in more than one year:			
Capital debt	2,577,347	5,181,662	7,759,009
Non-capital debt	2,147,282		2,147,282
Total Liabilities	<u>6,559,295</u>	<u>6,204,757</u>	<u>12,764,052</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax for future reporting period	8,667,000		8,667,000
Total deferred inflows of resources	<u>8,667,000</u>	<u>0</u>	<u>8,667,000</u>
<b>NET POSITION</b>			
Net investment in capital assets	27,003,769	1,245,584	28,249,353
Restricted for:			
Expendable:			
General government	56,623		56,623
Public safety	616,776	2,019,962	2,636,738
Public works	545,628	538,145	1,083,773
Culture and recreation	124,501		124,501
Economic development	11,813		11,813
Debt service	720,311	141,994	862,305
Unemployment compensation	32,662		32,662
Unrestricted	(675,065)		(675,065)
Total Net Position	<u>\$ 28,437,018</u>	<u>3,945,685</u>	<u>32,382,703</u>

The notes to the financial statements are an integral part of this statement.

MARION COUNTY  
Statement of Activities  
For the Year Ended September 30, 2014

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 4,329,084	595,886	100,839		(3,632,359)		(3,632,359)
Public safety	3,443,421	418,638	242,036	97,379	(2,685,368)		(2,685,368)
Public works	2,700,653		915,428		(1,785,225)		(1,785,225)
Health and welfare	471,021		51,910		(419,111)		(419,111)
Culture and recreation	204,338				(204,338)		(204,338)
Conservation of natural resources	67,800				(67,800)		(67,800)
Economic development and assistance	4,889,689		2,881,705		(2,007,984)		(2,007,984)
Interest on long-term debt	201,579				(201,579)		(201,579)
Total Governmental Activities	16,307,585	1,014,524	4,191,918	97,379	(11,003,764)		(11,003,764)
Business-type activities:							
Marion/Walthall Correctional Facility	4,748,198	4,655,727				(92,471)	(92,471)
Marion County Women's Facility	1,062,144	797,989				(264,155)	(264,155)
Garbage and Solid Waste	976,503	848,702				(127,801)	(127,801)
Total Business-type Activities	6,786,845	6,302,418	0	0		(484,427)	(484,427)
Total Primary Government	\$ 23,094,430	7,316,942	4,191,918	97,379	(11,003,764)	(484,427)	(11,488,191)
General revenues:							
Property taxes					\$ 8,329,142	370,933	8,700,075
Road & bridge privilege taxes					302,050		302,050
Grants and contributions not restricted to specific programs					704,171	120,598	824,769
Unrestricted interest income					6,283	775	7,058
Miscellaneous					990,523	30,063	1,020,586
Transfers					25,762	(25,762)	0
Total General Revenues and Transfers					10,357,931	496,607	10,854,538
Changes in Net Position					(645,833)	12,180	(633,653)
Net Position - Beginning, as previously reported					29,082,851	4,093,875	33,176,726
Prior period adjustment						(160,370)	(160,370)
Net Position - Beginning, as restated					29,082,851	3,933,505	33,016,356
Net Position - Ending					\$ 28,437,018	3,945,685	32,382,703

The notes to the financial statements are an integral part of this statement.

MARION COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2014

Exhibit 3

	Major Funds			
	General Fund	Marion County CDBG Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 1,941,864	11,813	2,167,859	4,121,536
Property tax receivable	6,532,000		2,135,000	8,667,000
Fines receivable (net of allowance for uncollectibles of \$2,517,803)	557,201			557,201
Intergovernmental receivables	180,634	56,705		237,339
Other receivables	6,139		1,834	7,973
Due from other funds	50,075		141,006	191,081
Total Assets	<u>\$ 9,267,913</u>	<u>68,518</u>	<u>4,445,699</u>	<u>13,782,130</u>
<b>LIABILITIES</b>				
Liabilities:				
Claims payable	\$ 362,407	56,705	144,723	563,835
Intergovernmental payables	417,355			417,355
Due to other funds	196,945			196,945
Other payables	105,095			105,095
Total Liabilities	<u>\$ 1,081,802</u>	<u>56,705</u>	<u>144,723</u>	<u>1,283,230</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	6,532,000		2,135,000	8,667,000
Unavailable revenue - fines	557,201			557,201
Total deferred inflows of resources	<u>\$ 7,089,201</u>	<u>0</u>	<u>2,135,000</u>	<u>9,224,201</u>
<b>Fund balances:</b>				
Restricted for:				
General government			56,623	56,623
Public safety			616,776	616,776
Public works			545,628	545,628
Culture and recreation			124,501	124,501
Economic development and assistance		11,813		11,813
Debt service			804,122	804,122
Unemployment compensation			32,662	32,662
Assigned to:				
General government	22,942			22,942
Unassigned	1,073,968		(14,336)	1,059,632
Total Fund Balances	<u>\$ 1,096,910</u>	<u>11,813</u>	<u>2,165,976</u>	<u>3,274,699</u>
Total Liabilities and Fund Balances	<u>\$ 9,267,913</u>	<u>68,518</u>	<u>4,445,699</u>	<u>13,782,130</u>

The notes to the financial statements are an integral part of this statement.

## MARION COUNTY

Exhibit 3-1Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2014

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 3,274,699
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$52,845,280.	30,043,872
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	557,201
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(5,354,943)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(83,811)</u>
Total Net Position - Governmental Activities	\$ <u><u>28,437,018</u></u>

The notes to the financial statements are an integral part of this statement.

## MARION COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2014

	Major Funds		Other	Total
	General	CDBG	Governmental	Governmental
	Fund	Fund	Funds	Funds
REVENUES				
Property taxes	\$ 6,321,676		2,007,466	8,329,142
Road and bridge privilege taxes			302,050	302,050
Licenses, commissions and other revenue	346,466		7,323	353,789
Fines and forfeitures	293,404			293,404
Intergovernmental revenues	827,213	2,881,705	1,284,550	4,993,468
Charges for services			297,265	297,265
Interest income	3,676		2,607	6,283
Miscellaneous revenues	289,466		686,504	975,970
Total Revenues	<u>8,081,901</u>	<u>2,881,705</u>	<u>4,587,765</u>	<u>15,551,371</u>
EXPENDITURES				
Current:				
General government	3,992,557		270,515	4,263,072
Public safety	2,713,890		721,926	3,435,816
Public works	8,870		2,628,263	2,637,133
Health and welfare	363,907			363,907
Culture and recreation	195,039		6,914	201,953
Conservation of natural resources	67,800			67,800
Economic development and assistance	636,477	2,881,717	1,328,826	4,847,020
Debt service:				
Principal	247,093		615,766	862,859
Interest	85,213		114,353	199,566
Total Expenditures	<u>8,310,846</u>	<u>2,881,717</u>	<u>5,686,563</u>	<u>16,879,126</u>
Excess of Revenues over (under) Expenditures	<u>(228,945)</u>	<u>(12)</u>	<u>(1,098,798)</u>	<u>(1,327,755)</u>
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued	88,836		186,419	275,255
Long-term non-capital debt issued	88,000		790,000	878,000
Proceeds from sale of capital assets			129,730	129,730
Transfers in	5,567		147,785	153,352
Transfers out	(104,292)		(23,298)	(127,590)
Total Other Financing Sources and Uses	<u>78,111</u>	<u>0</u>	<u>1,230,636</u>	<u>1,308,747</u>
Net Changes in Fund Balances	(150,834)	(12)	131,838	(19,008)
Fund Balances - Beginning	<u>1,247,744</u>	<u>11,825</u>	<u>2,034,138</u>	<u>3,293,707</u>
Fund Balances - Ending	<u>\$ 1,096,910</u>	<u>11,813</u>	<u>2,165,976</u>	<u>3,274,699</u>

The notes to the financial statements are an integral part of this statement.

## MARION COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2014

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (19,008)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$674,984 exceeded capital outlays of \$385,679 in the current period.	(289,305)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$14,553 and the proceeds from the sale of \$129,730 in the current period.	(115,177)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	70,066
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$1,153,255 exceeded debt repayments of \$862,859.	(290,396)
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by the increase in accrued interest payable.	<u>(2,013)</u>
Change in Net Position of Governmental Activities	\$ <u><u>(645,833)</u></u>

The notes to the financial statements are an integral part of this statement.

MARION COUNTY  
Statement of Net Position - Proprietary Funds  
September 30, 2014

Exhibit 5

	Business-type Activities - Enterprise Funds			
	Marion/Walthall Correctional Facility	Marion County Women's Facility	Garbage & Solid Waste	Total
<b>ASSETS</b>				
Current assets:				
Cash	\$ 206,822	117,847	153,569	478,238
Restricted assets - investments	1,283,275			1,283,275
Accounts receivable (net of allowance for uncollectibles of \$199,694)			424,351	424,351
Intergovernmental receivables	474,133	222,895		697,028
Other receivables			29,886	29,886
Due from other funds	65,510		5,064	70,574
Total Current Assets	2,029,740	340,742	612,870	2,983,352
Noncurrent assets:				
Capital assets:				
Land	60,000			60,000
Other capital assets, net	5,534,043	1,203,663	350,102	7,087,808
Total Noncurrent Assets	5,594,043	1,203,663	350,102	7,147,808
Total Assets	7,623,783	1,544,405	962,972	10,131,160
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	76,059	42,189		118,248
<b>LIABILITIES</b>				
Current liabilities:				
Claims payable	136,546	85,534	27,281	249,361
Due to other funds	34,517	56,784	7,665	98,966
Accrued interest payable	11,103	2,290	3,005	16,398
Unearned revenue			36,774	36,774
Capital debt:				
Other long-term liabilities	542,611	145,292	32,659	720,562
Total Current Liabilities	724,777	289,900	107,384	1,122,061
Noncurrent liabilities:				
Capital debt:				
Other long-term liabilities	3,820,074	1,257,040	104,548	5,181,662
Total Noncurrent Liabilities	3,820,074	1,257,040	104,548	5,181,662
Total Liabilities	4,544,851	1,546,940	211,932	6,303,723
<b>NET POSITION</b>				
Net investment in capital assets	1,231,358	(198,669)	212,895	1,245,584
Restricted for:				
Debt service		141,994		141,994
Public safety	1,923,633	96,329		2,019,962
Public works			538,145	538,145
Total Net Position	\$ 3,154,991	39,654	751,040	3,945,685

The notes to the financial statements are an integral part of this statement.

## MARION COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds			
	Major Funds			Totals
	Marion/Walthall Correctional Facility	Marion County Women's Facility	Garbage & Solid Waste	
Operating Revenues				
Charges for services	\$ 4,655,727	797,989	848,702	6,302,418
Miscellaneous	27,412	2,527	124	30,063
Total Operating Revenues	4,683,139	800,516	848,826	6,332,481
Operating Expenses				
Personal services	2,892,154	624,846	139,662	3,656,662
Contractual services	573,412	193,962	781,435	1,548,809
Materials and supplies	882,660	169,840	14,584	1,067,084
Depreciation expense	159,592	30,849	19,700	210,141
Indirect administrative cost	34,517	7,893	7,665	50,075
Total Operating Expenses	4,542,335	1,027,390	963,046	6,532,771
Operating Income (Loss)	140,804	(226,874)	(114,220)	(200,290)
Nonoperating Revenues (Expenses)				
Property tax	282,915		88,018	370,933
Interest income	343	286	146	775
Grants and contributions not restricted to specific programs	61,369		59,229	120,598
Gain (loss) on sale of capital assets	(60)		(7,855)	(7,915)
Interest expense	(205,803)	(34,754)	(5,602)	(246,159)
Net Nonoperating Revenue (Expenses)	138,764	(34,468)	133,936	238,232
Net Income (Loss) Before Capital Contributions and Transfers	279,568	(261,342)	19,716	37,942
Transfers in	15,500	5,500		21,000
Transfers out	(30,774)	(15,500)	(488)	(46,762)
Changes in Net Position	264,294	(271,342)	19,228	12,180
Net Position - Beginning, as previously reported	3,009,996	352,067	731,812	4,093,875
Prior period adjustment	(119,299)	(41,071)		(160,370)
Net Position - Beginning, as restated	2,890,697	310,996	731,812	3,933,505
Net Position - Ending	\$ 3,154,991	39,654	751,040	3,945,685

The notes to the financial statements are an integral part of this statement.



MARION COUNTY  
Statement of Cash Flows - Proprietary Fund  
For the Year Ended September 30, 2014

Exhibit 7

Business-type Activities - Enterprise Funds				
Major Funds				
	Marion/Walthall Correctional Facility	Marion County Women's Facility	Garbage & Solid Waste	Totals
Cash Flows From Operating Activities				
Receipts from customers	\$ 4,553,452	844,444	849,122	6,247,018
Payments to suppliers	(1,440,272)	(342,680)	(797,215)	(2,580,167)
Payments to employees	(2,885,653)	(535,649)	(139,662)	(3,560,964)
Other operating cash receipts	27,412	2,527	124	30,063
Net Cash Provided (Used) by Operating Activities	254,939	(31,358)	(87,631)	135,950
Cash Flows From Noncapital Financing Activities				
Intergovernmental grants received	61,369		59,229	120,598
Cash received from property taxes	282,915		87,627	370,542
Cash received from other funds:				
Operating transfers in	15,500	5,500		21,000
Cash paid to other funds:				
Operating transfers out	(30,774)	(15,500)	(488)	(46,762)
Interfund loan repayments	(35,473)	(9,668)	(10,299)	(55,440)
Net Cash Provided (Used) by Noncapital Financing Activities	293,537	(19,668)	136,069	409,938
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of capital assets			81,450	81,450
Acquisition and construction of capital assets	(15,500)			(15,500)
Principal paid on long-term debt	(525,000)	(105,000)	(89,482)	(719,482)
Interest paid on debt	(191,758)	(30,276)	(7,298)	(229,332)
Net Cash Provided (Used) by Capital and Related Financing Activities	(732,258)	(135,276)	(15,330)	(882,864)
Cash Flows From Investing Activities				
Interest on deposits	343	286	146	775
Net Cash Provided (Used) by Investing Activities	343	286	146	775
Net Increase (Decrease) in Cash and Cash Equivalents	(183,439)	(186,016)	33,254	(336,201)
Cash and Cash Equivalents at Beginning of Year	1,673,536	303,863	120,315	2,097,714
Cash and Cash Equivalents at End of Year	\$ 1,490,097	117,847	153,569	1,761,513
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 140,804	(226,874)	(114,220)	(200,290)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	159,592	30,849	19,700	210,141
Provision for uncollectible accounts			1,838	1,838
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable			(5,746)	(5,746)
(Increase) decrease in intergovernmental receivables	(52,962)	46,455		(6,507)
(Increase) decrease in interfund receivables	(49,313)			(49,313)
(Increase) decrease in other receivables			3,222	3,222
Increase (decrease) in claims payable	22,301	61,241	(1,196)	82,346
Increase (decrease) in interfund payables	34,517	56,971	7,665	99,153
Increase (decrease) in unearned revenue			1,106	1,106
Total Adjustments	114,135	195,516	26,589	336,240
Net Cash Provided (Used) by Operating Activities	\$ 254,939	(31,358)	(87,631)	135,950

The notes to the financial statements are an integral part of this statement.

MARION COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2014

MARION COUNTY  
Statement of Fiduciary Assets and Liabilities  
September 30, 2014

Exhibit 8

		Agency Funds
ASSETS		
Cash and investments	\$	290,731
Due from other funds		34,256
Total Assets	\$	<u>324,987</u>
LIABILITIES		
Amounts held in custody for others	\$	214,658
Intergovernmental payables		110,329
Total Liabilities	\$	<u>324,987</u>

The notes to the financial statements are an integral part of this statement.

## MARION COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2014

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

Marion County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Marion County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

Management has chosen to omit from these financial statements the following component unit which has significant operational or financial relationship with the County. Accordingly, the financial statements do not include the data of this component unit necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- Marion County Economic Development District

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the County legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor-Collector
- Sheriff

##### B. Basis of Presentation.

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

##### Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Position presents the financial condition of the governmental activities and business-type activities of the County at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

## MARION COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2014

#### Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

#### C. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Funds:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Marion County CDBG Fund – This fund is used for resources accumulated and used for the payment of economic development projects.

The County reports the following major Enterprise Funds:

Marion/Walthall Correctional Facility Fund – This fund is used to account for the County's activities of the men's correctional facility.

Marion County Women's Facility Fund – This fund is used to account for the County's activities of the women's correctional facility.

Garbage and Solid Waste Fund – This fund is used to account for the County's activities of the disposal of garbage and solid waste within the County.

## MARION COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2014

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

#### PROPRIETARY FUND TYPE

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

#### FIDUCIARY FUND TYPE

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the County, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

#### D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

#### E. Deposits and Investments.

State law authorizes the County to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the County may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the County did not invest in any governmental securities during the fiscal year.

#### F. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

#### G. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

## MARION COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2014

#### H. Restricted Assets.

Proprietary Fund and component unit assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

Proprietary Fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. Certain proceeds of the County's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue" fund is used to account for all revenues of the correctional facility and to provide payment for operating and maintenance expenses as well as required monthly deposits to other accounts to meet minimum requirements of the trust agreement. The "depreciation and operating reserve" fund is used to pay the costs of major repairs and replacements to the correctional facility the costs or which are such that they should be spread over a number of years rather than charged as a current expense in a single year. The "excess revenue" fund is used to pay the costs of major repairs and replacements to the correctional facility as well as to pay operating and maintenance expense when other funds are insufficient to pay these expenses within established limitations. The "debt service reserve" account is used to report resources set aside to subsidize potential deficiencies from the County's operation that could adversely affect debt service payments. The "general" account is used to accumulate funds to pay the principal and interest payments due on the County's enterprise fund revenue bonds. When both restricted and nonrestricted assets are available for use, the policy is to use the restricted assets first.

#### I. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because non-capitalization of interest does not have a material effect on the County's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements and Proprietary Funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year.

# MARION COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2014

The following schedule details those thresholds and estimated useful lives:

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

\* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

### J. Deferred Outflows/Inflows of Resources.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred amount on refunding – For current refunding's and advance refunding's resulting in defeasance of debt reported by governmental activities, business type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Property tax for future reporting period/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Unavailable revenue – fines – When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

### K. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

## MARION COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2014

#### L. Equity Classifications.

##### Government-wide Financial Statements:

Equity is classified as Net Position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

##### Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

##### Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Assigned fund balance* includes amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the Board of Supervisors pursuant to authorization established by Section 19-3-59, Miss. Code Ann. (1972).

*Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.



# MARION COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2014

### Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

### M. Property Tax Revenues.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the County. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

### N. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

### O. Changes in Accounting Standards.

The County implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement 65, *Items Previously Reported as Assets and Liabilities* and GASB Statement 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. The provisions of these standards have been incorporated into the financial statements and notes.

### (2) Prior Period Adjustments.

A summary of significant fund equity adjustments is as follows:

Exhibit 2 - Statement of Activities – Business-type Activities.

Explanation	Amount
Implementation of GASB Statement 65, <i>Items Previously Reported as Assets and Liabilities</i>	\$ (160,370)

# MARION COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2014

### Exhibit 6 - Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.

Explanation	Amount
Implementation of GASB Statement 65, <i>Items Previously Reported as Assets and Liabilities</i>	\$ <u>(160,370)</u>

### (3) Deposits and Investments.

#### Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2014, was \$4,890,505, and the bank balance was \$5,149,880. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk - Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the County. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

#### Investments:

As provided in Section 91-13-8, Miss. Code Ann. (1972), the following investments of the County are handled through a trust indenture between the County and the trustee related to the operations of the Marion/Walthall Correctional Facility.

Investments balances at September 30, 2014, are as follows:

Investment Type	Maturities	Fair Value	Rating
Hancock Horizon Treasury Securities	Less than one		
Money Market Mutual Fund	Year	\$ 1,283,275	AAAm

**Interest Rate Risk.** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972) limits the maturity period of any investment to no more than one year.

**Credit Risk.** State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The county does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

**Custodial Credit Risk - Investments.** Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. Of the County's investment, \$1,283,275 of underlying securities were uninsured, unregistered, and held in trust accounts by the investment's counterparty on behalf of the County, not in the name of the County.

# MARION COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2014

**Concentration of Credit Risk.** The county places no limit on the amount the County may invest in any one issuer. All of the County's investments are in the Hancock Horizon Treasury Securities Money Market Mutual Fund and are reported in the Marion/Walthall Correctional Facility Fund.

### (4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2014:

#### A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Garbage and Solid Waste	\$ 7,665
General Fund	Marion/Walthall Correctional Facility	34,517
General Fund	Marion County Women's Facility	7,893
Other Governmental Funds	General Fund	141,006
Marion/Walthall Correctional Facility	General Fund	16,619
Marion/Walthall Correctional Facility	Marion County Women's Facility	48,891
Garbage and Solid Waste	General Fund	5,064
Agency Funds	General Fund	34,256
Total		\$ 295,911

The General Fund receivable from the Marion/Walthall Correctional Facility, Marion County Women's Facility and Garbage and Solid Waste represent the indirect cost incurred during the year. The other Governmental Funds, Marion/Walthall Correctional Facility, Garbage and Solid Waste Fund and Agency Funds receivables from the General Fund represent the tax revenue collected in September 2014 but not settled until October 2014. All interfund balances are expected to be repaid within one year from the date of the financial statements.

#### B. Transfers In/Out:

Transfer In	Transfer Out	Amount
General Fund	Other Governmental Funds	\$ 5,567
Other Governmental Funds	General Fund	104,292
Other Governmental Funds	Other Governmental Funds	17,731
Other Governmental Funds	Garbage and Solid Waste	488
Other Governmental Funds	Marion/Walthall Correctional Facility	25,274
Marion/Walthall Correctional Facility	Marion County Women's Facility	15,500
Marion County Women's Facility	Marion/Walthall Correctional Facility	5,500
Total		\$ 174,352

The principal purpose of interfund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

MARION COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2014

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2014, consisted of the following:

Description	Amount
<b>Governmental Activities:</b>	
Legislative tax credit	\$ 146,220
DUI grant	4,732
Emergency management performance grants	29,682
Community development block grants/state's program	56,705
Total Governmental Activities	\$ 237,339
<b>Business-type Activities:</b>	
Reimbursement for housing prisoners	\$ 697,028

(6) Restricted Assets.

The balances of the restricted asset accounts in the enterprise funds are as follows:

Revenue fund	\$ 60,783
General account	287,782
Debt service reserve fund	356,282
Excess revenue fund	153,492
Depreciation and operating reserve fund	424,936
Total restricted assets	\$ 1,283,275

(7) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2014:

**Governmental activities:**

	Balance Oct. 1, 2013	Additions	Deletions	Adjustments*	Balance Sept. 30, 2014
<b>Non-depreciable capital assets:</b>					
Land	\$ 663,344				663,344
Total non-depreciable capital assets	663,344	0	0	0	663,344
<b>Depreciable capital assets:</b>					
Infrastructure	64,872,084				64,872,084
Buildings	8,945,020	82,765			9,027,785
Improvements other than buildings	811,516				811,516
Mobile equipment	4,157,426	123,919	33,188	(57,699)	4,190,458
Furniture and equipment	2,606,256	19,659		138,899	2,764,814
Leased property under capital leases	684,393	159,336	203,378	(81,200)	559,151
Total depreciable capital assets	82,076,695	385,679	236,566	0	82,225,808

## MARION COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2014

	Balance Oct. 1, 2013	Additions	Deletions	Adjustments*	Balance Sept. 30, 2014
<u>Less accumulated depreciation for:</u>					
Infrastructure	42,940,387	177,626			43,118,013
Buildings	3,414,741	162,228			3,576,969
Improvements other than buildings	247,444	30,217			277,661
Mobile equipment	3,202,458	165,699	29,869	(122,894)	3,215,394
Furniture and equipment	2,255,477	88,884		137,510	2,481,871
Leased property under capital leases	<u>231,178</u>	<u>50,330</u>	<u>91,520</u>	<u>(14,616)</u>	<u>175,372</u>
Total accumulated depreciation	<u>52,291,685</u>	<u>674,984</u>	<u>121,389</u>	<u>0</u>	<u>52,845,280</u>
Total depreciable capital assets, net	<u>29,785,010</u>	<u>(289,305)</u>	<u>115,177</u>	<u>0</u>	<u>29,380,528</u>
Governmental activities capital assets, net	\$ <u>30,448,354</u>	<u>(289,305)</u>	<u>115,177</u>	<u>0</u>	<u>30,043,872</u>

**Business-type activities:**

	Balance Oct. 1, 2013	Additions	Deletions	Adjustment	Balance Sept. 30, 2014
<u>Non-depreciable capital assets:</u>					
Land	\$ <u>60,000</u>				<u>60,000</u>
Total non-depreciable capital assets	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
<u>Depreciable capital assets:</u>					
Buildings	9,130,650				9,130,650
Mobile equipment	499,612	15,500	173,502		341,610
Furniture and equipment	163,160		5,997		157,163
Leased property under capital leases	<u>112,434</u>		<u>112,434</u>		<u>0</u>
Total depreciable capital assets	<u>9,905,856</u>	<u>15,500</u>	<u>291,933</u>	<u>0</u>	<u>9,629,423</u>
<u>Less accumulated depreciation for:</u>					
Buildings	1,918,319	182,616			2,100,935
Mobile equipment	440,428	9,455	156,151		293,732
Furniture and equipment	144,935	7,950	5,937		146,948
Leased property under capital leases	<u>30,360</u>	<u>10,120</u>	<u>40,480</u>		<u>0</u>
Total accumulated depreciation	<u>2,534,042</u>	<u>210,141</u>	<u>202,568</u>	<u>0</u>	<u>2,541,615</u>
Total depreciable capital assets, net	<u>7,371,814</u>	<u>(194,641)</u>	<u>89,365</u>	<u>0</u>	<u>7,087,808</u>
Business-type activities capital assets, net	\$ <u>7,431,814</u>	<u>(194,641)</u>	<u>89,365</u>	<u>0</u>	<u>7,147,808</u>

\*The adjustments were made to correctly record the reclassification of mobile equipment to furniture and the reclassification of capital leases that were paid off.

# MARION COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2014

Depreciation expense was charged to the following functions:

	Amount
<b>Governmental Activities:</b>	
General government	\$ 73,671
Public safety	102,441
Public works	346,704
Health and welfare	107,114
Culture and recreation	2,385
Economic development and assistance	42,669
	<hr/>
Total governmental activities depreciation expense	\$ 674,984
	<hr/>
<b>Business-type activities:</b>	
Marion/Walthall Correctional Facility	\$ 159,592
Marion County Women's Facility	30,849
Garbage and Solid Waste	19,700
	<hr/>
Total business-type activities depreciation expense	\$ 210,141
	<hr/>

### (8) Claims and Judgments.

#### Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2014, to January 1, 2015. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

### (9) Capital Leases.

#### As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2014:

Classes of Property	Governmental Activities
Mobile equipment	\$ 559,151
Less: Accumulated depreciation	175,372
	<hr/>
Leased Property Under Capital Leases	\$ 383,779
	<hr/>

MARION COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2014

The following is a schedule by years of the total payments due as of September 30, 2014:

Year Ending September 30	Governmental Activities	
	Principal	Interest
2015	\$ 109,424	6,012
2016	102,853	3,528
2017	46,574	1,342
2018	15,630	699
2019	15,976	353
Total	\$ 290,457	11,934

(10) Long-term Debt.

Debt outstanding as of September 30, 2014, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
Industrial development bonds	\$ 1,460,000	4.75-5.40%	09/2024
Hospital refinancing bonds	<u>2,615,000</u>	3.22%	11/2021
Total General Obligation Bonds	\$ <u>4,075,000</u>		
B. Equipment Notes:			
District 1 Road Equipment Note	\$ 37,688	2.70%	12/2015
District 2 Road Equipment Note	5,354	3.50%	12/2014
District 2 Road Equipment Note	8,370	3.49%	12/2014
District 4 Road Equipment Note	37,000	2.79%	12/2015
District 5 Road Equipment Note	<u>8,235</u>	3.50%	12/2014
Total Equipment Notes	\$ <u>96,647</u>		
C. Capital Leases:			
District 4 2011 International Truck	\$ 19,540	3.05%	02/2016
District 4 Bobcat Excavator w/Shredding Head	7,200	2.54%	12/2014
District 4 Volvo Motor Grader	77,997	3.04%	03/2017
District 1 Daewoo Wheel Loader	40,863	3.20%	12/2015
District 2 Hydraulic Excavator	76,500	2.21%	02/2019
(2) Sheriff Vehicles	<u>68,357</u>	2.14%	12/2016
Total Capital Leases	\$ <u>290,457</u>		
D. Other Loans:			
Railroad Authority	\$ 69,916	3.24%	03/2018
District 3 Equipment Barn	37,999	3.20%	03/2018
Marion County Business Plex	75,000	3.10%	05/2019
MDA Capital Improvement	<u>709,924</u>	3.00%	07/2034
Total Other Loans	\$ <u>829,839</u>		

MARION COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2014

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Business-type Activities:</b>			
A. General Obligation Bonds:			
General Obligation Bonds, Series 2009- Marion/Walthall Correctional Facility	\$ 2,575,000	4.00-4.70%	04/2029
Series 2012 Jail Refunding Bonds	<u>1,400,000</u>	1.50-2.65%	03/2023
Total General Obligation Bonds	<u>\$ 3,975,000</u>		
B. Limited Obligation Bonds:			
Urban renewal revenue refunding bonds- Marion/Walthall Correctional Facility	<u>\$ 1,755,000</u>	2.50-4.00%	02/2018
C. Other Loans:			
Transfer Station	<u>\$ 137,207</u>	3.24%	02/2018

Pledge of Future Revenues - The County has pledged future revenues for housing inmates, net of specified operating expenses, to repay \$3,555,000 in limited obligation urban renewal revenue bonds issued in 2009. Proceeds from the bonds refunded \$3,585,000 of limited obligation urban renewal revenue bonds issued in 1998, which provided financing for the construction of the Marion/Walthall Correctional Facility. The bonds are not a general obligation of the County and, therefore, are not secured by the full faith and credit of the County. The bonds are payable solely from income derived from an inmate housing agreement with the Mississippi Department of Corrections for housing state prisoners and income received from any other governments for housing and holding prisoners and are payable through 2018. Annual principal and interest payments on the bonds are expected to require less than 11 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,895,405. Principal and interest paid for the current year and total inmate housing net revenues were \$478,707 and \$4,655,727, respectively.

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

**Governmental Activities:**

Year Ending September 30	General Obligation Bonds	
	Principal	Interest
2015	\$ 395,000	156,349
2016	410,000	141,512
2017	430,000	125,986
2018	455,000	109,549
2019	470,000	92,064
2020 – 2024	<u>1,915,000</u>	<u>193,660</u>
Total	<u>\$ 4,075,000</u>	<u>819,120</u>



MARION COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2014

Year Ending September 30	Equipment Notes		Other Loans	
	Principal	Interest	Principal	Interest
2015	\$ 59,248	1,399	66,642	27,506
2016	25,065	521	68,996	24,688
2017	12,334	524	70,702	22,516
2018			72,339	20,299
2019			45,020	18,029
2020 – 2024			164,365	73,557
2025 – 2029			190,929	46,993
2030 – 2034			213,846	13,145
Total	\$ 96,647	2,444	892,839	246,733

**Business-type Activities:**

Year Ending September 30	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2015	270,000	139,857	415,000	59,358
2016	275,000	132,307	430,000	44,247
2017	285,000	124,505	445,000	27,500
2018	290,000	116,338	465,000	9,300
2019	305,000	107,467		
2020 – 2024	1,500,000	386,758		
2025 – 2029	1,050,000	151,340		
Total	3,975,000	1,158,572	1,755,000	140,405

**Business-type Activities:**

Year Ending September 30	Other Loans	
	Principal	Interest
2015	\$ 32,659	4,507
2016	33,731	3,434
2017	34,833	2,333
2018	35,984	1,182
Total	\$ 137,207	11,456

Legal Debt Margin - The amount of debt, excluding specific exempted debt, that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2014, the amount of outstanding debt was equal to 5.33% of the latest property assessments.

# MARION COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2014

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2014:

	Balance Oct. 1, 2013	Additions	Reductions	Adjustments	Balance Sept. 30, 2014	Amount due within one year
<b>Governmental Activities:</b>						
General obligation bonds	\$ 4,455,000		380,000		4,075,000	395,000
Equipment notes	151,439	61,919	116,711		96,647	59,248
Capital leases	396,049	165,336	270,928		290,457	109,424
Other loans	<u>62,059</u>	<u>926,000</u>	<u>95,220</u>		<u>892,839</u>	<u>66,642</u>
Total	\$ <u>5,064,547</u>	<u>1,153,255</u>	<u>862,859</u>	<u>0</u>	<u>5,354,943</u>	<u>630,314</u>
<b>Business-type Activities:</b>						
General obligation bonds	\$ 4,200,000		225,000		3,975,000	270,000
Limited obligation bonds	2,160,000		405,000		1,755,000	415,000
Less: deferred amounts						
On refunding	(142,538)		(24,290)	118,248		
Add: for Premiums	37,917		2,903		35,014	2,903
Capital leases	57,862		57,862			
Other loans	<u>168,827</u>		<u>37,617</u>		<u>137,210</u>	<u>32,659</u>
Total	\$ <u>6,482,068</u>	<u>0</u>	<u>698,092</u>	<u>0</u>	<u>5,902,224</u>	<u>720,562</u>

### (11) Contingencies.

**Federal Grants** - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the County. No provision for any liability that may result has been recognized in the County's financial statements.

**Litigation** - The County is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings. However, the County's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

**Economic Development Note Contingencies** - The County issued a note payable to provide funds for constructing and improving infrastructure for the purpose of economic development. The notes are paid by the Marion County Economic Development District, a component unit of the County. However, the County remains contingently liable for the retirement of this note because the full faith, credit and taxing power of the County is secondarily pledged in case of default by the Marion County Economic Development District. The principal amount of notes payable outstanding at September 30, 2014, is \$78,188.

### (12) Related Organizations.

The Marion County Board of Supervisors is responsible for appointing a voting majority of the members of the board of the Columbia-Marion County Airport Authority, but the County's accountability for this organization does not extend beyond making the appointment. The County appropriated \$20,000 for the airport's support in fiscal year 2014.

## MARION COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2014

The Marion County Board of Supervisors, as authorized by Sections 19-5-151 and 19-5-223, Miss. Code Ann. (1972), created the following districts to provide fire protection services to the County: Tri-Community Fire District, Southwest Marion Fire District, South Marion Fire District, Pineburr Fire District, Foxworth Fire District, and Morgantown Fire District. The Board of Supervisors appoints the commissioners of each district, but the County's accountability for the districts does not extend beyond making the appointments. Each of these districts receives the avails of a one mill tax levy on the real property in the district with the Foxworth Fire District receiving the avails of a two mill tax levy. Marion County appropriated \$45,190 for the operations of the four districts in fiscal year 2014.

#### (13) Joint Ventures.

The County participates in the following joint ventures:

Marion County is a participant with Jefferson Davis County in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the South Mississippi Regional Library. The joint venture was created to provide library service for the Counties of Jefferson Davis and Marion, and is governed by a five-member board. The two counties rotate board appointments so that each County has a majority of board members in alternate years. Complete financial statements for the South Mississippi Regional Library can be obtained from the Marion County branch located at 900 Broad Street, Columbia, Mississippi.

#### (14) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Pearl River Community College operates in a district composed of the Counties of Forrest, Hancock, Jefferson Davis, Lamar, Marion and Pearl River. The Marion County Board of Supervisors appoints two (2) of the sixteen (16) members of the college board of trustees. The County appropriated \$358,080 for maintenance and support of the college in fiscal year 2014.

Southeast Mississippi Air Ambulance District operates in a district composed of the Counties of Covington, Forrest, Greene, Jefferson Davis, Marion, Pearl River, Perry, Stone and Walthall. The Marion County Board of Supervisors appoints one (1) of the nine (9) members of the board of directors. The County appropriated \$67,160 for support of the district in fiscal year 2014.

Southern Mississippi Planning and Development District operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The Marion County Board of Supervisors appoints one (1) of the twenty-seven (27) members of the board of directors. The County provided no financial support of the district in fiscal year 2014.

Pearl River Valley Opportunity, Inc. operates in a district composed of the Counties of Covington, Forrest, Jefferson Davis, Jones, Lamar, Marion, Pearl River and Perry. The entity was created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal law. The Marion County Board of Supervisors appoints one (1) of the twenty-four (24) members of the board of directors. The primary source of funding for the entity is derived from federal funds. Each County provides a modest amount of financial support when matching funds are required for federal grants.

Pine Belt Mental Health Care Resources operates in a district composed of the Counties of Covington, Forrest, Greene, Jefferson Davis, Jones, Lamar, Marion, Perry and Wayne. The Marion County Board of Supervisors appoints one (1) of the nine (9) members of the board of commissioners. The County appropriated \$46,500 for support of the entity in fiscal year 2014.

Mississippi Regional Housing Authority VIII operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 15-member board of commissioners, one (1) appointed by the Board of Supervisors of each of the member counties and one (1) appointed at large. The counties generally provide no financial support to the organization.

# MARION COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2014

### (15) Defined Benefit Pension Plan.

**Plan Description.** Marion County, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

**Funding Policy.** At September 30, 2014, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2014 was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2014, 2013 and 2012 were \$787,646, \$747,775 and \$683,175, respectively, equal to the required contributions for each year.

### (16) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Marion County evaluated the activity of the County through December 10, 2015, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2014, the County issued the following debt obligations:

Issue Date	Interest Rate		Issue Amount	Type of Financing	Source of Financing
10/14/2014	2.20%	\$	500,000	Other loan	Tax Revenue
03/03/2015	1.80%		101,483	Capital lease	General Fund Tax Revenue
04/15/2015	1.79%		48,004	Capital lease	District 4 Tax Revenue
04/15/2015	1.79%		48,188	Capital lease	District 3 Tax Revenue

MARION COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

MARION COUNTY

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MARION COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 6,466,138	6,321,816	6,321,816	
Licenses, commissions and other revenue	348,000	345,644	345,644	
Fines and forfeitures	275,000	271,637	271,637	
Intergovernmental revenues	731,700	794,625	794,625	
Charges for services	4,000			
Interest income	6,275	3,711	3,711	
Miscellaneous revenues	139,000	449,859	449,859	
Total Revenues	<u>7,970,113</u>	<u>8,187,292</u>	<u>8,187,292</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	4,290,447	3,906,867	3,906,867	
Public safety	2,612,186	2,553,950	2,553,950	
Public works	20,000	20,000	20,000	
Health and welfare	345,145	379,864	379,864	
Culture and recreation	111,225	134,511	134,511	
Conservation of natural resources	71,547	65,175	65,175	
Economic development and assistance	437,611	826,126	826,126	
Debt service	108,448	134,296	134,296	
Total Expenditures	<u>7,996,609</u>	<u>8,020,789</u>	<u>8,020,789</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(26,496)</u>	<u>166,503</u>	<u>166,503</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources		61,007	61,007	
Other financing uses	(150,000)	(336,042)	(336,042)	
Total Other Financing Sources and Uses	<u>(150,000)</u>	<u>(275,035)</u>	<u>(275,035)</u>	<u>0</u>
Net Change in Fund Balance	(176,496)	(108,532)	(108,532)	0
Fund Balances - Beginning	<u>1,019,256</u>	<u>1,019,192</u>	<u>1,019,192</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 842,760</u>	<u>910,660</u>	<u>910,660</u>	<u>0</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

MARION COUNTY

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# MARION COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2014 UNAUDITED

### A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The County's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

### B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

### C. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and the major Special Revenue Fund:

	Governmental Fund Types	
	General Fund	Marion County CDBG Fund
Budget (Cash Basis)	\$ (108,532)	
Increase (Decrease)		
Net adjustments for revenue accruals	16,005	
Net adjustments for expenditure accruals	(58,307)	
To record excess of revenues and other sources over (under) expenditures and other uses for nonbudgeted funds		(12)
GAAP Basis	\$ (150,834)	(12)

MARION COUNTY

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2014  
UNAUDITED

D. Unbudgeted Funds.

The following fund was not budgeted for the year ended September 30, 2014:

Special Revenue Fund:

Marion County CDBG Fund

The unbudgeted funds are in violation of state law. However, the County has no liability associated with the violation.

MARION COUNTY

SUPPLEMENTAL INFORMATION

MARION COUNTY  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2014

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development/ Passed-through the Mississippi Development Authority Community development block grants/state's program and non-entitlement grants in Hawaii*	14.228	1129-12-046-ED-01	\$ 1,973,940
Community development block grants/state's program and non-entitlement grants in Hawaii*	14.228	1125-08-046-PF-02	21,500
Total U.S. Department of Housing and Urban Development			<u>1,995,440</u>
U.S. Department of Justice Passed-through the Mississippi Department of Public Safety Edward Byrne memorial justice assistance grant program	16.738	13NM 1461	<u>38,943</u>
U.S. Department of Transportation/ Passed-through the Mississippi Department of Transportation Highway planning and construction	20.205	BR NBIS 079 B(46)	29,650
Highway planning and construction	20.205	STP 004618B	49,480
Subtotal			<u>79,130</u>
U.S. Department of Transportation - National Highway Traffic Safety Passed-through the Mississippi Department of Public Safety National priority safety programs	20.616	14-MD-146-1	58,210
Total U.S. Department of Transportation			<u>137,340</u>
U.S. Department of Homeland Security/ Passed-through the Mississippi Emergency Management Agency Emergency management performance grants	97.042	N/A	<u>27,982</u>
Total Expenditures of Federal Awards			<u>\$ 2,199,705</u>

Note A - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting.

\* Denotes major federal award program

MARION COUNTY

OTHER INFORMATION

MARION COUNTY

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MARION COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2014  
UNAUDITED

Name	Position	Company	Bond	Bond Number
Charles Randy Dyess	Supervisor District 1	Brierfield Insurance Company	\$100,000	60006995
Terry Broome	Supervisor District 2	Brierfield Insurance Company	\$100,000	60006990
Tony Morgan	Supervisor District 3	Brierfield Insurance Company	\$100,000	60006997
Raymon Rowell	Supervisor District 4	Brierfield Insurance Company	\$100,000	60007002
Calvin Newsom, Sr.	Supervisor District 5	Brierfield Insurance Company	\$100,000	60006998
Cass Barnes	Chancery Clerk	Brierfield Insurance Company	\$100,000	60006994
Cheryl Buckley	Purchase Clerk	Brierfield Insurance Company	\$75,000	60007008
Jan Ardis	Assistant Purchase Clerk	Brierfield Insurance Company	\$50,000	3002077
Linda Roberts	Assistant Purchase Clerk	Brierfield Insurance Company	\$50,000	3002336
Sharon Johnson	Receiving Clerk	Brierfield Insurance Company	\$75,000	60007007
Charles M. Bryant	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000	60007378
Debbie S. Ashley	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000	3002334
Willie Ray Sims	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000	3006036
Michael Gerald Price	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000	60007272
Henry Douglas Holmes	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000	3006610
Dennie Wayne Fairburn	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000	3006035
Lonnie Haynes	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000	60013515
Susan Bridges	Inventory Control Clerk	Brierfield Insurance Company	\$75,000	3009702
Eugene Ryals	Constable	Brierfield Insurance Company	\$50,000	60007004
Paul A. Barber	Constable	Brierfield Insurance Company	\$50,000	60007011
Janette Nolan	Circuit Clerk	Brierfield Insurance Company	\$100,000	60006999
Berkley Hall	Sheriff	Brierfield Insurance Company	\$100,000	60006996
Jeffrey Broom	Sheriff's Deputy	Travelers	\$50,000	105196759
Jamie Singley	Sheriff's Deputy	Travelers	\$50,000	105196759
Jason Breeland	Sheriff's Deputy	Travelers	\$50,000	105196759
Glenn Lowery	Sheriff's Deputy	Travelers	\$50,000	105196759
Matt Brown	Sheriff's Deputy	Travelers	\$50,000	3006321
Josh Messer	Sheriff's Deputy	Travelers	\$50,000	105196759
Andrew Phillips	Sheriff's Deputy	Travelers	\$50,000	105196759
Lance Poirier	Sheriff's Deputy	Travelers	\$50,000	105196759
Louis Watts, Jr.	Sheriff's Deputy	Travelers	\$50,000	105196759
Rodney McKenzie	Sheriff's Deputy	Travelers	\$50,000	105196759
Merrell Porter	Sheriff's Deputy	Travelers	\$50,000	105196759
James Ross	Sheriff's Deputy	Travelers	\$50,000	105196759
Karla Brown	Sheriff's Deputy	Travelers	\$50,000	105196759
Joey Herrington	Sheriff's Deputy	Travelers	\$50,000	105196759
Krystal Jones	Sheriff's Deputy	Travelers	\$50,000	105196759
Robert Jones	Sheriff's Deputy	Travelers	\$50,000	105196759
Bradley McDermit	Sheriff's Deputy	Travelers	\$50,000	105196759
Martha McDermit	Sheriff's Deputy	Travelers	\$50,000	105196759
Adrianne Morgan	Sheriff's Deputy	Travelers	\$50,000	105196759
Miranda Porter	Sheriff's Deputy	Travelers	\$50,000	105196759
Kevin Russell	Sheriff's Deputy	Travelers	\$50,000	105196759
Wyndol Thornhill	Sheriff's Deputy	Travelers	\$50,000	105196759

MARION COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2014  
UNAUDITED

Name	Position	Company	Bond	Bond Number
John Vaughan	Sheriff's Deputy	Travelers	\$50,000	105196759
Mellie Williams	Sheriff's Deputy	Travelers	\$50,000	105196759
Ashley Winns	Sheriff's Deputy	Travelers	\$50,000	105196759
Kevin Crozier	Sheriff's Deputy	Travelers	\$50,000	105196759
Michael Hudson	Sheriff's Deputy	Travelers	\$50,000	105196759
Brian A. Wilson	Sheriff's Deputy	Travelers	\$50,000	105196759
Larry Brent	Sheriff's Deputy	Travelers	\$50,000	105196759
Cedric Brown	Sheriff's Deputy	Travelers	\$50,000	105196759
Gwendolyn Broom	Justice Court Judge	Brierfield Insurance Company	\$50,000	3005918
Sharon Whitfield	Justice Court Judge	Brierfield Insurance Company	\$50,000	3005917
Wynette Parkman	Justice Court Clerk	Travelers	\$50,000	60007005
Kelli McNabb	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000	60007552
Renee Brown	Deputy Justice Court Clerk	Travelers	\$50,000	400SE4224
Martha Schexnider	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000	60014656
Sherry McGowan	Tax Assessor-Collector	Brierfield Insurance Company	\$100,000	60007642
Joey Alford	Deputy Tax Collector	Brierfield Insurance Company	\$50,000	60011602
Tawanda Ball	Deputy Tax Collector	Brierfield Insurance Company	\$50,000	3005920
Dana Ellzey	Deputy Tax Collector	Brierfield Insurance Company	\$50,000	3003263
Brenda Miller	Deputy Tax Collector	Brierfield Insurance Company	\$50,000	60006445
Luona Pittman	Deputy Tax Collector	Brierfield Insurance Company	\$50,000	60011601
Charlett Smith	Deputy Tax Collector	Brierfield Insurance Company	\$50,000	3006625
Teresa Terrell	Deputy Tax Collector	Travelers	\$50,000	105196746



## MARION COUNTY

## SPECIAL REPORTS

MARION COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE  
FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Supervisors  
Marion County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Marion County, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 10, 2015. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component unit which is required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Marion County, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2014-001 and 2014-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2014-002 to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Marion County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Marion County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated December 10, 2015, included within this document.

## **Marion County's Responses to Findings**

Marion County's responses to the findings identified in our audit are described in the accompanying Auditee's Corrective Action Plan. Marion County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



TOMMY STORY, CPA, CFE  
Director, County Audit Section

December 10, 2015



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Members of the Board of Supervisors  
Marion County, Mississippi

**Report on Compliance for Each Major Federal Program**

We have audited Marion County, Mississippi's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended September 30, 2014. Marion County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Marion County, Mississippi's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Marion County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Marion County, Mississippi's compliance.

**Opinion on Major Federal Program**

In our opinion, Marion County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2014.

## Report on Internal Control Over Compliance

Management of Marion County, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marion County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-004 to be a material weakness.

Marion County's response to the internal control over compliance finding identified in our audit is described in the accompanying Auditee's Corrective Action Plan. Marion County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



TOMMY STORY, CPA, CFE  
Director, County Audit Section

December 10, 2015



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,  
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES  
(REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))**

Members of the Board of Supervisors  
Marion County, Mississippi

We have examined Marion County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2014. The Board of Supervisors of Marion County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Marion County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. These instances of noncompliance were considered in forming our opinion on compliance. Our findings and recommendations and your responses are disclosed below:

**Purchase Clerk.**

1. Purchasing documents not issued in proper time sequence.

**Finding**

Section 31-7-103, Miss. Code Ann. (1972), requires a purchase requisition, purchase order and receiving report for all purchases. As reported in the prior year's audit, during our audit test work, we noted nine instances in which the required purchase documents were not issued in their proper time sequence. The failure to complete purchasing documents correctly may result in the loss or misappropriation of public funds.

### Recommendation

The Purchase Clerk should ensure that the required purchase documents are issued in their proper time sequence.

### Purchase Clerk's Response

This will be corrected and documents and purchases will be handled in the correct order.

## 2. Two competitive written bids should be obtained when required.

### Finding

Section 31-7-13(b), Miss. Code Ann. (1972), states that purchases which involve an expenditure of more than \$5,000, but not more than \$50,000, exclusive of freight and shipping charges, may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two written competitive bids have been obtained. We noted in our audit test work on four occasions that two competitive written bids were not obtained for the purchase of petroleum products with a purchase price greater than \$5,000. Failure to obtain competitive written bids could result in excess costs to the County.

### Recommendation

The Purchase Clerk should ensure that at least two competitive written bids are obtained prior to purchasing any items with a cost between \$5,000 and \$50,000, as required by law.

### Purchase Clerk's Response

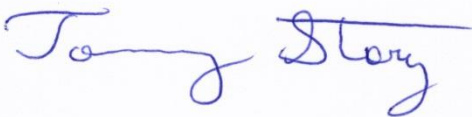
I will correct this problem.

In our opinion, except as explained in the third paragraph and except for the noncompliance referred to in the preceding paragraph, Marion County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2014.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

Marion County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended for use in evaluating the central purchasing system and inventory control system of Marion County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.



TOMMY STORY, CPA, CFE  
Director, County Audit Section

December 10, 2015



## MARION COUNTY

Schedule 1Schedule of Purchases Not Made From the Lowest Bidder  
For the Year Ended September 30, 2014

Date	Item Purchased	Bid Accepted	Vendor	Lowest Bid	Reason for Accepting Other Than the Lowest Bid
08/11/2014	Zero turn mower	\$ 7,659	Mike's Service Center	\$ 7,600	24-hour service guarantee offered

MARION COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2014

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
07/07/2014	Culverts	\$ 9,705	Dial, Inc.	Brumfield Road in District 3 washed out after heavy rains.

MARION COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2014

Our test results did not identify any purchases made noncompetitively from a sole source.

MARION COUNTY

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
STACEY E. PICKERING  
AUDITOR**

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Marion County, Mississippi

In planning and performing our audit of the financial statements of Marion County, Mississippi for the year ended September 30, 2014, we considered Marion County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Marion County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated December 10, 2015, on the financial statements of Marion County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

Board of Supervisors.

1. Purpose for the interfund transfers should be included in board minutes.

Finding

Section 19-3-27, Miss. Code Ann. (1972), requires a complete and correct record to be maintained for the proceedings of the Board of Supervisors. As reported in the prior three years' audit report, there was one interfund transfer not spread on the board minutes and purposes for all the interfund transfers were not spread on the board minutes. Failure to properly document authorization for interfund transfers by the board could result in erroneous amounts being reported and increases the possibility of the loss or misappropriation of public funds.

Recommendation

The Board of Supervisors should ensure that all interfund transfers are spread on the board minutes and include the purpose of the interfund transfers.

#### Board of Supervisors' Response

We will comply in the future.

2. Forms for employing retired service employees should be properly completed.

#### Finding

Section 25-11-127, Miss. Code Ann. (1972), requires counties hiring service retirees to notify PERS in writing by completing Form 4B, "Certification/Acknowledgement of Reemployment of Retiree" with PERS office. The form indicates the amount that will be earned during the employment period. As reported in the prior two years' audit reports, there was one instance of an employee being paid more than the amount noted on Form 4B. Failure to monitor the amounts paid to retirees could result in the Mississippi Public Employees Retirement System assessing a penalty against the County.

#### Recommendation

The Payroll Clerk should ensure the PERS Forms 4B are completed and monitor the amounts paid to ensure that they are not paid more than allowed.

#### Board of Supervisors' Response

We will comply in the future.

3. Tax Collector was overpaid.

#### Finding

Section 27-3-52(3), Miss. Code Ann. (1972), allows the Tax Collector to receive an additional \$1,000 annually for receiving each certification of Track II, Evaluator I and Track II, Evaluator II. The Tax Collector received the certification of Track II, Evaluator I in August 2008 and Track II, Evaluator II in August 2012. In October 2010, the Tax Collector received an additional \$1,000 annually; however, no additional certification was obtained until August 2012. As reported in the prior year's audit report, this resulted in an overpayment of \$3,666.48 from October 2010 to May 2014.

#### Recommendation

The Tax Collector should repay \$3,666.48 to the General Fund.

#### Board of Supervisors' Response

Per our response dated September 30, 2013, the Tax Collector has repaid the total amount due of \$3,666.48 in full to Marion County.

4. A written policy for the use of credit cards should be implemented.

#### Finding

An effective system of internal control should include written policy over the use of the credit cards. The County did not have a written credit card policy. Without a written credit card policy, there are no guidelines or procedures to follow regarding the use of the credit cards and could result in improper use of credit cards.

#### Recommendation

The Board of Supervisors should implement a written policy for the use of credit cards.

#### Board of Supervisors' Response

We will comply.

#### 5. The County should improve its systems security event management.

##### Finding

Regulatory compliance oftentimes requires that a covered organization develop a standards-based framework to provide for monitoring for system security events. In fact, the State of Mississippi, like most states, has a data breach law which has been in effect since July 1, 2011. At present, the County does not have adequate network intrusion detection systems or methods to efficiently and/or easily monitor server logs for key security related events. Therefore, monitoring of key logs for key security events is not being sufficiently performed. Intrusion detection is widely defined as the process of discovering unauthorized use of computers and networks. Intrusion detection requires gathering information about the actions of users and programs. The resulting information can then be analyzed either by individuals or by programs (usually programs that run as part of intrusion detection systems ("IDS's")) that are specially crafted to analyze such information. Many major data breaches have persisted over a significant length of time (possibly months) before being detected, thus allowing the unauthorized transfer of very large amounts of data outside the organization without being detected. Therefore, it is imperative that entities have a Breach Recovery Plan in place in addition to retain logs of system security events for a sufficient amount of time to allow possible data breaches to be analyzed properly. The ever changing threat environment requires that entities continuously evaluate threats and risks to their data assets and adjust their protection scheme accordingly. The very nature of attacker methods has morphed from viruses embedded in email attachments to threats that use the platforms and applications with which we have become very comfortable (social media, blogs, file transfer apps, etc.) as vectors to introduce malware. In addition, they use the very technologies that we depend upon to protect ourselves from threats (SSL encryption, port restrictions, etc.) to hide themselves. To further illustrate the sophistication of malware today it many times has the capability to communicate from the inside of an infected network back to the remote attacker outside.

##### Recommendation

We recommend the County review its current risk environment and develop a plan for monitoring and managing key security events consistent with regulatory compliance objectives as well as the evolution of threats to information assets.

#### Board of Supervisors' Response

We will review our current risk environment and start working on a plan for monitoring and managing key events.

#### 6. The County should expire all individual passwords on a periodic basis.

##### Finding

A review of the County's security settings revealed that some user's passwords were set to expire on a more infrequent basis than recommended in best business practices. All passwords should be set to expire in accordance with policy to be determined by the County using best business practices guidelines.

##### Recommendation

We recommend that a policy be implemented to ensure that passwords are expired on a regular basis. In addition, the County should conduct access reviews for information assets on a periodic basis (at least annually). Documentation of these reviews should be signed by the person conducting them and retained for review by auditors.

#### Board of Supervisors' Response

We will start implementing a more frequent password expiration starting with an annual expiration.

7. The County should establish and test a disaster recovery process.

Finding

During our review of the information systems controls of the county, we noted that the county has not established a disaster recovery process. As a result, the county cannot fully ensure that the information systems can be restored in a timely manner. Disaster recovery involves defining and documenting plans to help sustain and recover critical information technology resources, information systems, and associated business functions. *Control Objectives for Information and Related Technology* (CobiT, Section DS4), as well as recognized industry best practices, require a written disaster recovery plan be developed and tested regularly to provide orderly recovery of vital functions in the event of a hardware or environmental disaster. Failure to maintain an adequate recovery plan could impede the county's ability to regain computer operations in the event of a disaster. There are a number of steps that an organization can take to prevent or minimize the damage to automated operations that may occur from unexpected events. One example is routinely backing up data files and programs and periodically restoring these files and programs as part of a formal, documented disaster recovery exercise. Such actions maintain the organization's ability to restore data files, which may be impossible to re-create. The County is currently creating back-up files, but is not restoring such files as part of a formal, documented disaster recovery exercise. Without proper assurance that backup files can be utilized to adequately restore all critical data in a timely manner in the event of a disaster scenario, material damage could be realized by the county and its processes should a catastrophic event occur involving the county's buildings and servers. Risk and probabilities of material loss escalates in relationship to the longer an exposure goes unmitigated. Without proper assurance that backup files can be utilized to adequately restore all critical data in a timely manner in the event of disaster scenario, material damage could be realized by the County and its processes should a catastrophic event occur involving the County's building and servers. Risk and probabilities of material loss escalates in relationship to the longer an exposure goes unmitigated.

Recommendation

We recommend that the county develop, implement, and test a plan to insure that critical data and applications are recoverable in case of a disaster scenario. In order to do this it will be necessary to gain an understanding from vendors involved in the backup process of the types of backups that should be created, on what frequency these backups should be created, the processes necessary to create the various types of backups and the responsibilities of the various parties involved, including county personnel and vendor personnel. Furthermore, these procedures and responsibilities should be documented and agreed upon by all parties involved. We also recommend that the county develop and implement a disaster recovery plan documenting procedures to be followed during an emergency. Once the plan is completed, it should be subjected to proper testing, and employees should be made aware of their responsibilities in the event of a disaster. The plan should be stored in a safe, accessible location and updated when needed in order to maintain readiness for a disaster scenario.

Board of Supervisors' Response

We are doing test restores and will start compiling a written Disaster Recovery plan.

8. The County should implement a formal Information Security Policy.

Finding

The County has not adopted a formal Information Security Policy or Enterprise Security Plan. The lack of a formal Information Security Policy can lead to a breakdown of basic security practices in the areas of application security, LAN/WAN security, management of the security application and internet protocol.

Recommendation

A robust set of Information Technology Policies should cover at least the following areas:

- Acceptable Use
- Portable Computing
- Change Management



- Encryption
- Security Incident Response
- Risk Management
- Backup and Recovery
- Business Continuity / Disaster Recovery

While full compliance with all facets of such policy may be an economic challenge for the County, beginning steps to become compliant with a policy covering areas such as those listed above are necessary. We recommend that the County create a plan of compliance with industry standards to ensure progress towards a robust documented information security plan. This policy should be reviewed and approved by County Supervisors. In addition, employees that utilize technology should review and accept such policies before access to computer resources is granted to employees. Proof of approval by management and acceptance by employees should be retained for review by auditors. For further clarification, simply saying that passwords need to be strong is not sufficient. In this case, the policy should state that passwords should be at least 8 characters for normal users and 13 characters for those users that have elevated privileges. In addition, complexity requiring numbers and special characters should also be specified.

#### Board of Supervisors' Response

We currently have an acceptable use policy and are working on documenting the above areas in an IT policy handbook. We also have plans to implement password complexity on our network.

#### 9. The County should improve its server room environment management.

##### Finding

The County's computer room is not a dedicated room with limited, controlled access and proper environmental equipment for electronic equipment. The room is secure in that there are people working during business hours in and around the computer. However, the computer is in the open and has the potential to be accessed by unauthorized personnel. Although the room does have air conditioning it does not have monitoring equipment for other conditions that can have an adverse effect on electronic equipment.

##### Recommendation

We recommend that the County establish an area specifically for computerized equipment that can be locked and provisioned with environmental control and monitoring equipment in relation to heat, humidity, and other conditions that might affect computerized equipment. This equipment should also have the capability to notify the proper personnel when these conditions vary outside of preset ranges. A log should also be maintained of visitors entering and exiting the computer room. In addition, access reviews should be completed on a periodic basis to determine that only authorized personnel have access to the computer room. Documentation of visitors to the computer room as well as periodic access reviews should be maintained for review by audit personnel.

#### Board of Supervisors' Response

We are currently building out a data center room in civil defense.

#### 10. The County should perform periodic logical access reviews.

##### Finding

We noted during our review, that the County does not have a formal process for removing logical access for terminated employees. We also noted that the County does not periodically review the levels of access that active users have and determine if the access is appropriate.

##### Recommendation

We recommend that the County implement a periodic review of logical access for all individual users.

#### Board of Supervisors' Response

We will modify our payroll procedures to include formal notification by means of email to remove the terminated employee's access. Levels of access are determined at time of hire and go through a formal process if changes are needed.

11. The County did not prepare a budget of revenues, expenses and a working cash balance for all funds.

Section 19-11-7, Miss. Code Ann. (1972), requires the Board of Supervisors to prepare and submit at its August meeting of each year a complete budget of revenues, expenses and a working cash balance estimated for the next fiscal year for each fund. The original budget for the fiscal year 2013-2014 did not include a budget of revenues, expenses and a working cash balance for the Marion County CDBG Fund. The failure to prepare a budget of revenues, expenses and a working cash balance for each fund could result in the misappropriation of public funds.

#### Recommendation

The Board of Supervisors shall prepare and submit each year a complete budget of revenues, expenses and a working cash balance for all funds, as required by law.

#### Board of Supervisors' Response

This was an oversight and we will comply in the future.

Purchase Clerk/Chancery Clerk.

12. Credit card charges were not properly documented for authorization.

#### Finding

Section 19-3-68, Miss. Code Ann. (1972), specifies the requirements governing the use of a county credit card for travel. The Chancery Clerk or Purchase Clerk shall maintain complete records of all credit card numbers and all receipts and other documentation relating to the use of such credit cards. The supervisors and county employees shall furnish receipts for the use of such credit cards each month to the Chancery Clerk or Purchase Clerk, who shall submit a written report monthly to the Board of Supervisors. The report shall include an itemized list of all expenditures and use of the credit card for the month, and such expenditures may be allowed for payment by the County in the same manner as other items in the claims docket. Travel charges to the credit card were not in complete compliance with this section. There are no written reports itemizing expenditures made on the credit card, as well as no receipts for purchases made totaling \$1,412.02. Failure to enforce these requirements could result in the misuse of the credit card for unauthorized and unallowed expenditures.

#### Recommendation

The Purchase Clerk should ensure that a monthly report itemizing the expenditures and use of the credit card is submitted to the Board of Supervisors and all receipts for purchases are maintained, as required.

#### Purchase Clerk's Response

We will comply.

Tax Assessor/Collector.

13. Refunds should be made in a timely manner and with board approval.

Finding

Section 27-73-7, Miss. Code Ann. (1972), states the Tax Collector is authorized to refund any tax paid in error or paid in excess of the sum of taxes that are due. This refund should be made from the current settlement if the same source of funds does not exist. In order for the Tax Collector to make a refund, it must be approved and spread over the minutes the collection was made in error. During the walkthrough of the Tax Collector's Office, the following was noted:

- a. As reported in the prior two years' audit reports, there were twenty-nine (29) unprocessed board approved refunds totaling a liability of \$11,306.08 owed to various taxpayers that dates back to March 2010.
- b. There were four (4) unprocessed board approved refunds totaling \$780.00 owed various taxpayers during the fiscal year ending September 30, 2014.

Failure to properly refund money to taxpayers increases the liability of the Tax Collector's office and could result in the loss or misappropriation of public funds.

Recommendation

The Tax Collector should comply with the required law.

Tax Assessor/Collector's Response

- (1) The number of unprocessed refunds has been reduced from the original 47 to 29. The original amount was \$22,335.85 reduced to \$11,306.08. I am continuing to work on processing these refunds.
- (2) There is 1 (one) unprocessed board approved refund in the amount of \$780.00. This will be processed.

14. One percent additional interest was not collected on payments after February 1<sup>st</sup>.

Finding

Section 27-41-9, Miss. Code Ann. (1972), states if any person fails to pay taxes levied and assessed against he or she when due, he or she is required to pay in addition to the taxes owed but also an additional 1% interest after February 1<sup>st</sup>. As reported in the prior two years' audit reports, during the testing of mobile home and property tax receipts, it was noted that one out of fifteen receipts, there was no interest collected for payments after February 1<sup>st</sup>. Failure to collect interest on property receipts could result in the loss or misappropriation of County funds.

Recommendation

The Tax Assessor/Collector's Office should comply with the required law and collect interest on payments received after February 1<sup>st</sup>.

Tax Assessor/Collector's Response

In reference to the receipt PPIN 6067 in question, a board order had been presented and approved increasing the assessment of said property in March 2014 board meeting. Taxpayer was unaware of the increased amount of taxes owed until the board meeting.

Auditor's Note

The Tax Assessor/Collector should collect interest on all payments collected after February 1<sup>st</sup> regardless if the taxpayer is unaware of assessment increase.

The Mississippi Office of the State Auditor has taken exception to certain costs. The detail of the exception and disposition is as follows:

Exception Issued On:

Sherry McGowan. Tax Assessor/Collector

Nature of Exception:

See Board of Supervisors Finding #3 described in this report.

Amount of Exception:

\$3,666.48

Disposition of Exception:

The final payment was made with Receipt # 10351 on September 28, 2015.

Marion County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.



TOMMY STORY, CPA, CFE  
Director, County Audit Section

December 10, 2015

MARION COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARION COUNTY

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MARION COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

Section 1: Summary of Auditor's Results

***Financial Statements:***

- |    |   |            |
|----|---|------------|
| 1. | Type of auditor's report issued:                      |            |
|    | Governmental activities                               | Unmodified |
|    | Business-type activities                              | Unmodified |
|    | Aggregate discretely presented component unit         | Adverse    |
|    | General Fund  | Unmodified |
|    | Marion County CDBG Fund                               | Unmodified |
|    | Marion/Walthall Correctional Facility Fund            | Unmodified |
|    | Marion County Women's Facility Fund                   | Unmodified |
|    | Garbage and Solid Waste Fund                          | Unmodified |
|    | Aggregate remaining fund information                  | Unmodified |
| 2. | Internal control over financial reporting:            |            |
|    | a. Material weaknesses identified?                    | Yes        |
|    | b. Significant deficiency identified?                 | Yes        |
| 3. | Noncompliance material to financial statements noted? | No         |

***Federal Awards:***

- |    |  |               |
|----|--|---------------|
| 4. | Internal control over major federal program:   |               |
|    | a. Material weakness identified?   | Yes           |
|    | b. Significant deficiency identified?  | None Reported |
| 5. | Type of auditor's report issued on compliance for major federal programs:  | Unmodified    |
| 6. | Any audit finding(s) disclosed that are required to be reported in accordance with Section ____510(a) of OMB Circular A-133? | Yes           |
| 7. | Identification of major federal programs:  |               |
|    | a. CFDA #14.228, Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii                     |               |
| 8. | Dollar threshold used to distinguish between type A and type B programs:   | \$300,000     |
| 9. | Auditee qualified as low-risk auditee?   | No            |

MARION COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

2014-001. Discretely presented component units should be included in the financial statements.

Finding

Generally accepted accounting principles require the financial data for the County's component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for the County's legally separate component units. As reported in the prior seven years' audit reports, the financial statements do not include the financial data for the County's legally separate component unit. The failure to properly follow generally accepted accounting principles resulted in an adverse opinion on the discretely presented component unit.

Recommendation

The Board of Supervisors should provide the financial data for its discretely presented component unit for the inclusion in the County's financial statements.

Board of Supervisors' Response

See Auditee's Corrective Action Plan

Significant Deficiency

2014-002. The County should strengthen passwords.

Finding

We noted during our review that the County is using some parameters associated with password strength that do not meet industry standard best practices, thereby creating unnecessary risk for county information assets. Gaining access to data assets can often open doors to highly confidential information such as Personally Identifiable Information (PII), confidential governmental reports, and security information related to governmental entities. Through this type of unauthorized access situations such as data breaches and denial of service attacks can be initiated. Attack methods can be slowed down significantly or even defeated through the use of strong passwords. Therefore, whenever possible, computer users should use strong passwords for all of their computer accounts.

Recommendation

We recommend that the County improve its password strength by changing passwords parameters to comply with password management best practices and industry standards. Characteristics of strong passwords include requirements for sufficient length, complexity (combinations of numbers, letters and special characters), and periodic change of passwords.

Board of Supervisors' Response

See Auditee's Corrective Action Plan



## MARION COUNTY

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2014

Tax Assessor-Collector.

#### Material Weakness

- 2014-003. Controls over cash collections and disbursements in the Tax Assessor-Collector's office should be strengthened.

#### Finding

An effective system of internal control over cash collections and disbursements in the Tax Assessor-Collector's office should include an adequate segregation of duties. Controls over cash are inadequate. The Deputy Tax Collector reconciles daily cash collections and receipts, prepares daily check-up sheets, prepares monthly settlement of fees to the County, takes deposits to the bank, posts receipts to the cash journal, prepares the bank reconciliations, and prepares and signs all disbursement checks. Failure to implement controls over the cash collections and disbursements, and lack of segregation of duties in the Tax Assessor-Collector's office could result in the loss or misappropriation of public funds.

#### Recommendation

The Tax Assessor-Collector should take steps to ensure that there is an adequate segregation of duties over the cash collection and disbursement functions.

#### Tax Assessor-Collector's Response

See Auditee's Corrective Action Plan

### Section 3: Federal Award Findings and Questioned Costs

- 2014-004. The County should establish controls to ensure that federal funds are distributed within three days of receipt.

14.228      Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii  
Grant Number: 1125-08-046-PF-02; Year: 2014  
U.S. Department of Housing and Urban Development/  
Passed-through the Mississippi Development Authority

Material Weakness

Material Noncompliance

Compliance Requirement: Cash Management

#### Finding

The U.S. Department of Housing and Urban Development's Community Development Block Grants: State's Program grant agreement specifies that the County must disburse funds within three (3) days of receipt. Based on our audit testing procedures, the County received grant funds in the amount of \$15,000 on April 23, 2014, but did not disburse these funds until June 4, 2014. This noncompliance resulted from the County's lack of adequate internal controls over the cash management federal requirement. Failure to disburse the Community Development Block Grants federal funds within three (3) days of receipt could result in the funds being used for unallowable purposes.

MARION COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2014

Recommendation

The Board of Supervisors should implement internal controls to ensure that the County follows the cash management federal requirement, as required.

Auditee's Response

See Auditee's Corrective Action Plan

MARION COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN

MARION COUNTY

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MARION COUNTY BOARD OF SUPERVISORS



215 BROAD STREET  
COLUMBIA, MISSISSIPPI 39429  
(601) 736-7382 Fax (601) 736-1232

District One  
Randy Dyess  
District Three  
Tony Morgan  
District Five  
Calvin Newsom

Chancery Clerk  
Cass Barnes

District Two  
Terry Broome  
District Four  
Raymon Rowell  
Attorney  
Joseph Shepard

CORRECTIVE ACTION PLAN

October 21, 2015

Office of the State Auditor  
501 N. West Street, Suite 801  
Jackson, Mississippi 39201

Gentlemen:

Marion County respectfully submits the following corrective action plan for the year ended September 30, 2014.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 1: Summary of Auditor's Results, does not include findings and is not addressed.

SECTION 2: FINANCIAL STATEMENT FINDINGS

2014-001. Corrective Action Planned:

We will comply.

Anticipated Completion Date:

September 30, 2016

Name of Contact Person Responsible for Corrective Action:

Susie Bridges, Comptroller (601) 736-7382

2013-002. Corrective Action Planned:  
We will implement a plan to adjust password complexity and periodic change of passwords.  
Anticipated Completion Date:  
September 30, 2016  
Name of Contact Person Responsible for Corrective Action:  
Susie Bridges, Comptroller (601) 736-7382

2013-003. Corrective Action Planned:  
Due to having a small staff in the tax collector's office, my intentions to remove the deputy tax collector/bookkeeper from the counter performing collection duties has been put on hold, which would assist in segregation of duties. If the board will approve an increase in the upcoming budget, this area of segregation of duties can be more adequately addressed. In reference to preparation of daily check-up sheets, after the deputy tax collector's do their individual daily collections sheets then the combined daily collection sheets are done on a rotation – one deputy works with sheets another works with the money. The bookkeeper never works the money on these rotations. Bank deposits are primarily handled by me and the bookkeeper. Checks are currently being signed by me.  
Anticipated Completion Date:  
September 30, 2016  
Name of Contact Person Responsible for Corrective Action:  
Susie Bridges, Comptroller (601) 736-7382

### SECTION 3: FEDERAL AWARD FINDINGS

2013-004. Corrective Action Planned:  
This was an oversight and we will comply in the future.  
Anticipated Completion Date:  
September 30, 2016  
Name of Contact Person Responsible for Corrective Action:  
Susie Bridges, Comptroller (601) 736-7382